

# STATE OF WISCONSIN

SENATE CHAIR  
MARK MILLER

317 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-9170



ASSEMBLY CHAIR  
MARK POCAN

309 East, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-8570

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Mark Miller  
Representative Mark Pocan

Date: April 15, 2010

Re: Department of Children and Families Monthly Report on Wisconsin Shares Program

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This is the Departments April installment of the monthly report on progress with fraud prevention, investigation and overpayment collections related to the Wisconsin Shares program.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle  
Governor

Reggie Bicha  
Secretary



State of Wisconsin  
Department of Children and Families

201 East Washington Avenue, Room G200  
P.O. Box 8916  
Madison, WI 53708-8916

Telephone: 608-266-8684  
Fax: 608-261-6972  
dcf.wisconsin.gov

April 15, 2010

Honorable Mark Miller, Senate Co-Chair  
Joint Committee on Finance  
Room 317 East, State Capitol  
Madison, WI 53702

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BY: St. Finance

Honorable Mark Pocan, Assembly Co-Chair  
Joint Committee on Finance  
Room 309 East, State Capitol  
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This is the Department of Children and Families' April installment of the monthly report on progress with fraud prevention, investigation and overpayment collections related to the Wisconsin Shares program. The data in this report covers March 2010 activities and is the sixth report submitted.

The evaluation criteria we have developed related to provider attendance reporting, payment patterns and licensing requirements continues to guide our workload assignments. And, as you will see below, our records review efforts continue to identify providers with problems that require suspension from the Shares program.

Following is a summary of March activity.

**Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, March 2010**

*Expenditures related to fraud prevention and investigation: \$199,600*

The above amount represents the March 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

*Expenditures related to recovering overpayments due to error or fraud: \$32,300*

The March 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

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*Overpayment and/or restitution collected by DCF: \$197,526*

In March 2010, DCF collected \$161,109 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$36,417 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

*Overpayment and/or restitution collected by other agencies: \$0*

No overpayments and/or restitution collections have been reported by other agencies in March 2010 to DCF. As previously noted, PACU, through a broad range of collection tools including tax refund intercepts and administrative liens and levies, is the State's primary collection agency for public assistance overpayments.

**Providers Suspended from the Wisconsin Shares Program, March 2010**

During the month of March, DCF suspended payments to three child care providers; all in Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during March a total of \$226,614 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. The cumulative total for overpayments established against suspended providers since January of 2009 to date is now \$2,864,561.

I believe the data summarized above reflects significant progress in our efforts to protect the Wisconsin Shares program resources and I look forward to sharing reports of continued improvements.

Sincerely,



Reggie Bicha  
Secretary

cc: Michael Morgan, Department of Administration  
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions  
March 2010**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
ASHLEY GLEN	Milwaukee	03/06/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The suspension was based on the provider's failure to maintain and submit accurate attendance records as required by the Shares program. In reviewing the provider's attendance records, significant inaccuracies resulting in overbilling for children were identified, the Department established an overpayment of \$14,487.44 for failing to maintain and submit accurate attendance records as required by the Shares program. The suspension was based on the provider billing the Wisconsin Shares program for more hours of child care than the provider was licensed to provide.	Yes	\$14,487.44	Yes	No

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
LITTLE JALEN'S LEARNING ACADEMY	Milwaukee	03/20/2010	<p>The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$11,747 annually per child and was serving two children per licensed slot. The suspension was based on two no access visits within three weeks, where DCF staff visited Little Jalen's Learning Academy during the hours of operation and no one appeared to be on the premises and no one answered the door. As the provider billed the Wisconsin Shares program for children being in attendance during the weeks of the no access visits, this is contradictory to the evidence found by the Department's investigators. The suspension was also based on the provider's failure to maintain and submit accurate attendance records as required by the Shares program.</p> <p>The provider has been cited previously for failing to maintain and submit accurate attendance records as required by the Shares program. In reviewing the provider's attendance records, significant inaccuracies resulting in overbilling for children were identified, the Department established an overpayment of \$11,182.31. During four weeks, the provider billed the Wisconsin Shares program for six children from two different families; however the six children were not recorded in attendance during that same period of time. The provider also specified hours to be worked by all three of the provider's employees, apparently in order to obtain a higher number of authorized hours and payment from the Shares program. The Department's investigation determined that the employees rarely worked those hours, nor did the children attend their full authorized number of hours, yet the provider was paid the full subsidy amount for the authorized hours.</p>	Yes	\$11,182.31	Yes	No

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Teach And Playland	Milwaukee	03/06/2010	<p>The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through quantitative data showing the provider billed for over \$11,636.28 annually per child and serving 1.75 children per licensed slot. The suspension was based on the provider's failure on two occasions within 5 days to provide access to the day care facility during the provider's stated hours of operation. The provider billed the Wisconsin Shares program for all authorized children attending 100% of their authorized hours during the weeks of the no access visits; this is contradictory to the no access visits by the Department's investigators during the same weeks. The suspension was based on the provider's failure to maintain and submit accurate attendance records as required by the Shares program. In reviewing the provider's attendance records, significant inaccuracies resulting in overbilling for children were identified, the Department established an overpayment of \$10,162.59 for failing to maintain and submit accurate attendance records as required by the Shares program. During one month, the provider billed the Wisconsin Shares program for 13-14 children; however, only 7 children were recorded in attendance during that same period of time. The provider also billed the Wisconsin Shares program 100% of the hours the provider was authorized to bill the Wisconsin Shares program; however, the attendance records show only 12% of the authorized hours were actually attended by children.</p>	Yes	\$10,162.58	No	No